

# Wealth centric economy around Nature in the post pandemic world

**Pushpam Kumar**

Chief Environmental Economist

United Nations Environment Programme (UNEP)

[Pushpam.kumar@un.org](mailto:Pushpam.kumar@un.org)

# Post pandemic world: Poverty and Inequality

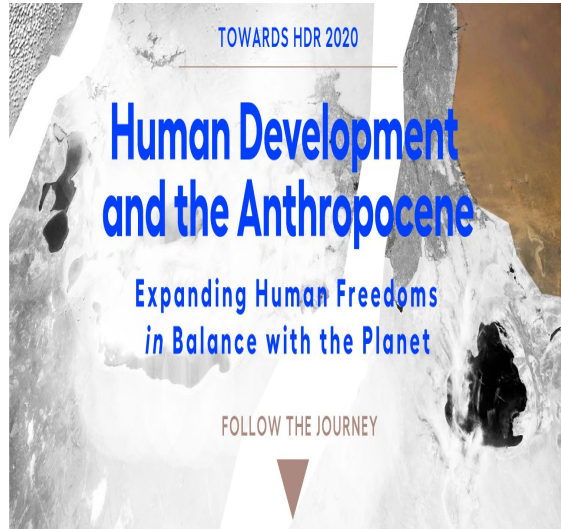
---

1. Global GDP is expected to contract by about 5-8% in 2020,
2. Seventy- One million of people would be pushed into extreme poverty and Sub-Saharan Africa might be hit the hardest.
3. 176 million of people are expected to be pushed into poverty (\$3.20/day), 2/3<sup>rd</sup> of the population are residing in South Asia.
4. The covid-19 pandemic exacerbated the already widened gap in wealth and income distribution between the world's richest and the poor

# Natural Capital is connected to the exacerbation of poverty and inequality

- Over exploitation of biodiversity (natural capital) creates the unprecedented health and economic crisis but it is also interconnected with inequality.
- Inequality puts stress on natural resources through overuse and overexploitation, and can add to climate change
- Over exploitation of natural capital is driven by under pricing and unaccounting of natural capital
- Accounting for natural capital and human capital is crucial to avoid future environmental disasters

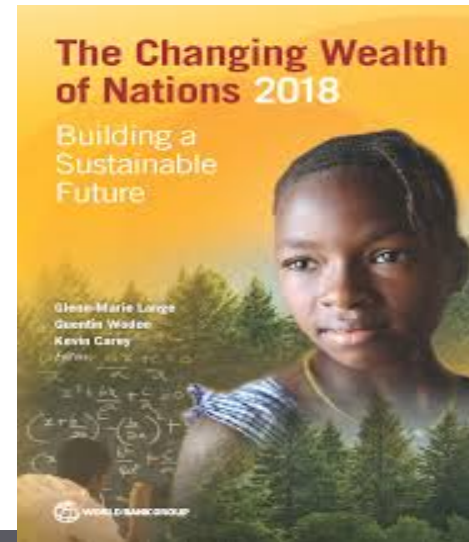
# NC: Evidence from the Govt, Agencies and Science



Nature depreciation  
**The world's wealth is looking increasingly unnatural**  
As natural wealth is used up, economies will rely more on human capital



Delivering on the Promise, 2020 Synthesis (1972-2020)



Q&A | Published: 29 June 2020

Measuring for sustainability



UN Network of Economists recommends

The Dasgupta Review –  
Independent Review on the  
Economics of Biodiversity  
Interim Report



# UNEP has been recognising this...



Maurice Strong (front left, at the 1972 UN Conference on the Human Environment) sought an alternative to the GDP. Image: UN Photo/Yutaka Nagata



# Message from the Chair, Inclusive Wealth Report

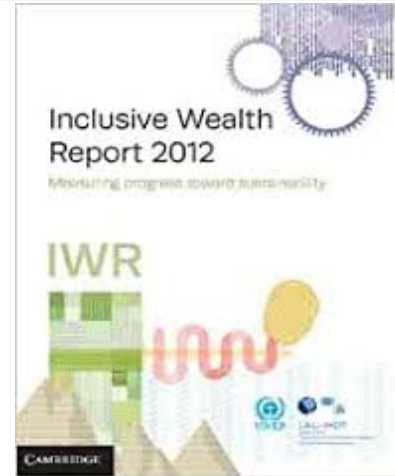
*"If by Progress we require that well-being across the generations should grow over time, then we should insist that inclusive wealth relative to population increases over time. In time, growth in GDP per capita unerringly points the other way."*



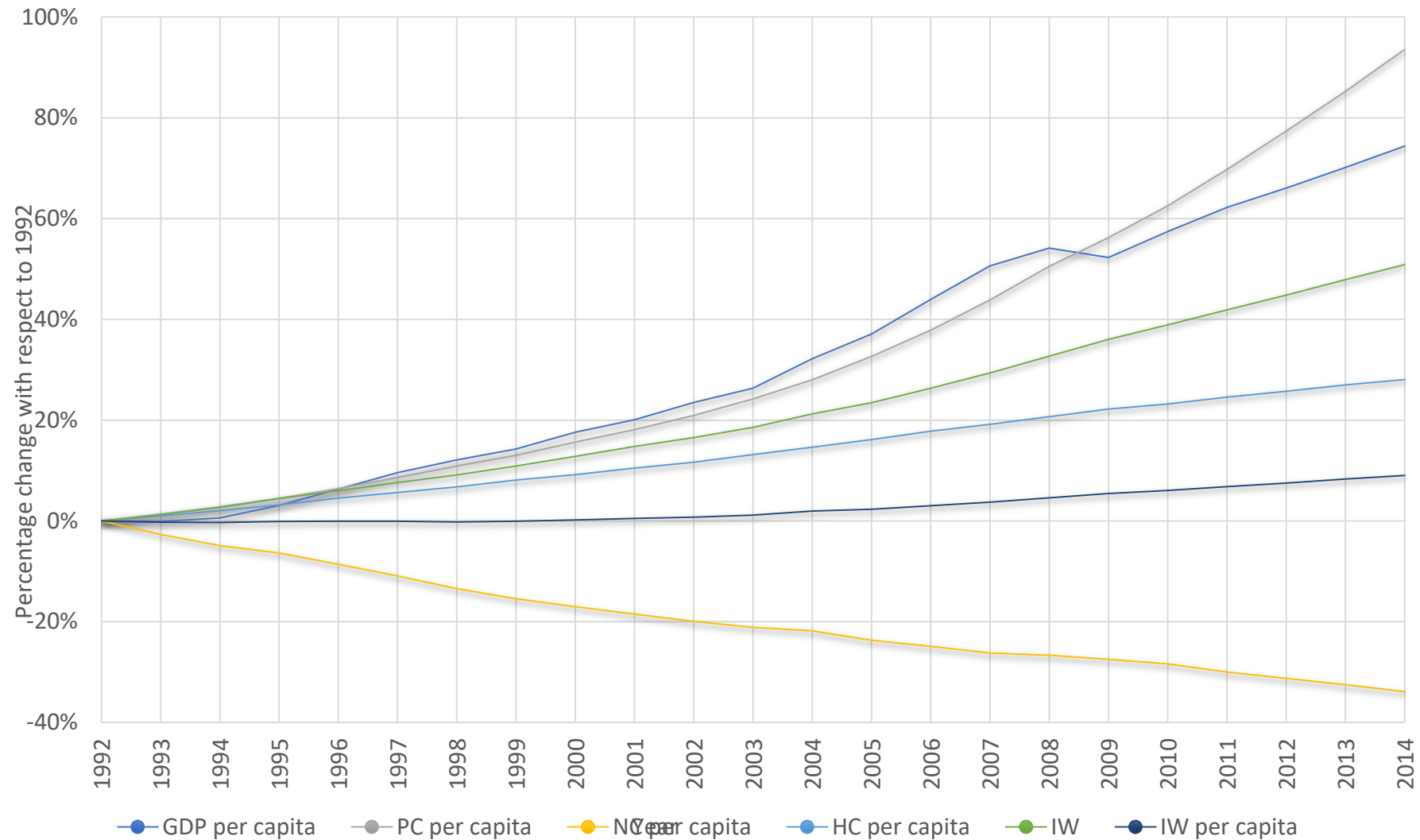
*-Sir Partha Dasgupta FBA, FRS,  
Frank Ramsey Professor, University of  
Cambridge and  
Chair, Science Panel, Inclusive Wealth  
and  
Chair, Review of the Economics of  
Biodiversity, HM Treasury, UK*

# Wealth : Transformative Agenda for Sustainability Measurement

Accounting for natural  
capital is crucial to avoid  
future environmental  
disasters (COVID19)



# Natural Capital is on decline!

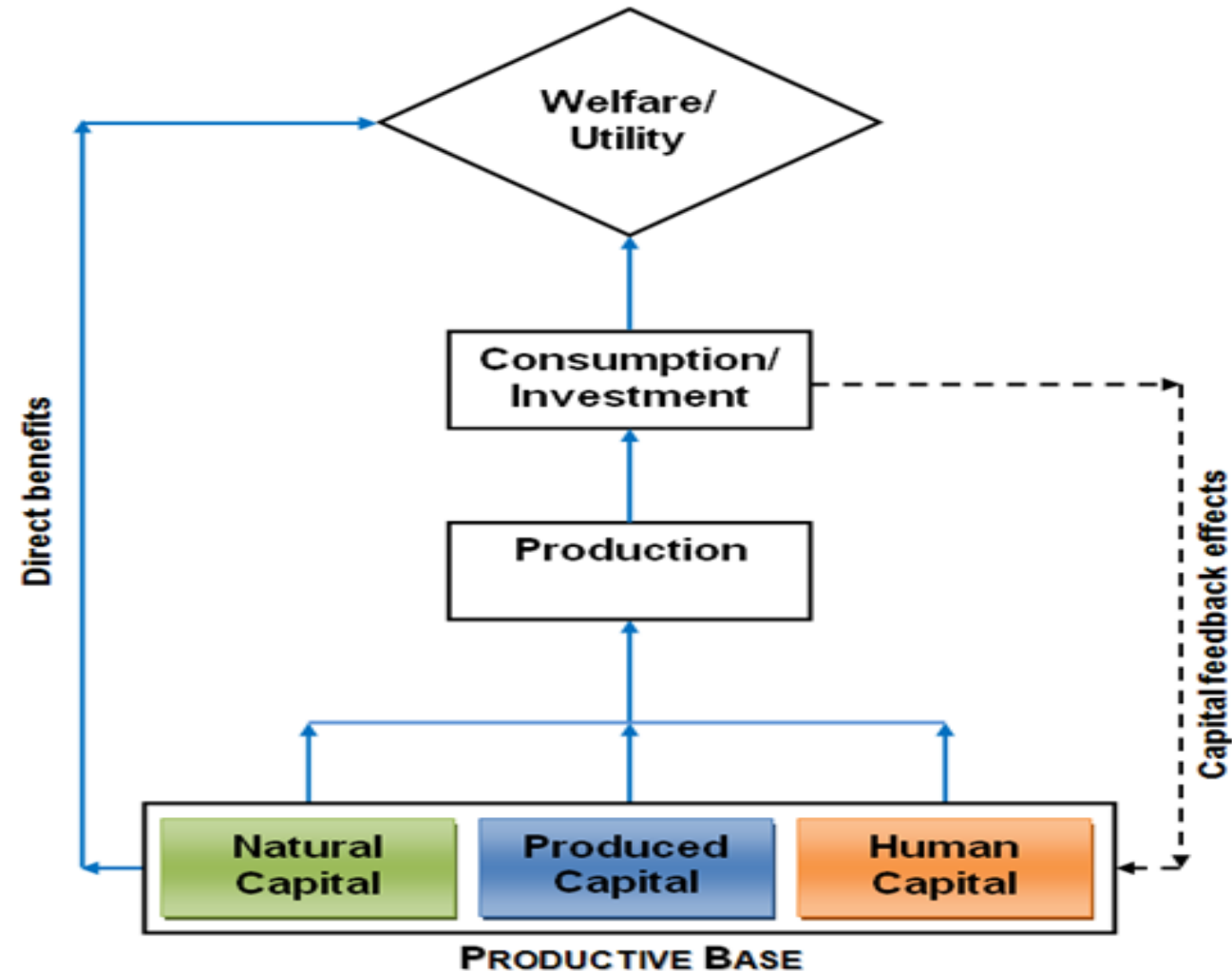




## Top 10 in IW not necessarily rich nations!

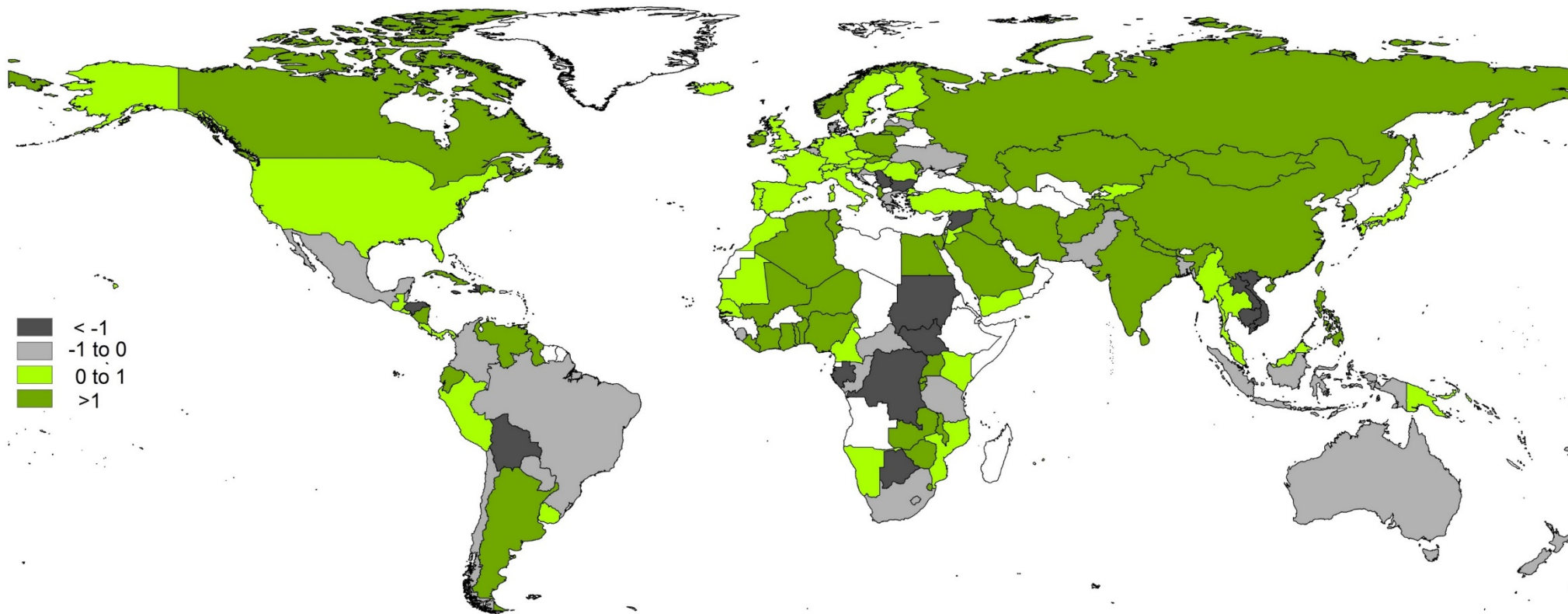
IWI Ranking	Country	Average growth per capita During 1992-2014
1	Republic of Korea	33.0%
2	Singapore	25.2%
3	Malta	18.9%
4	Latvia	17.9%
5	Ireland	17.1%
6	Moldova	17.0%
7	Estonia	16.0%
8	Mauritius	15.5%
9	Lithuania	15.2%
10	Portugal	13.9%

# Methodological Framework



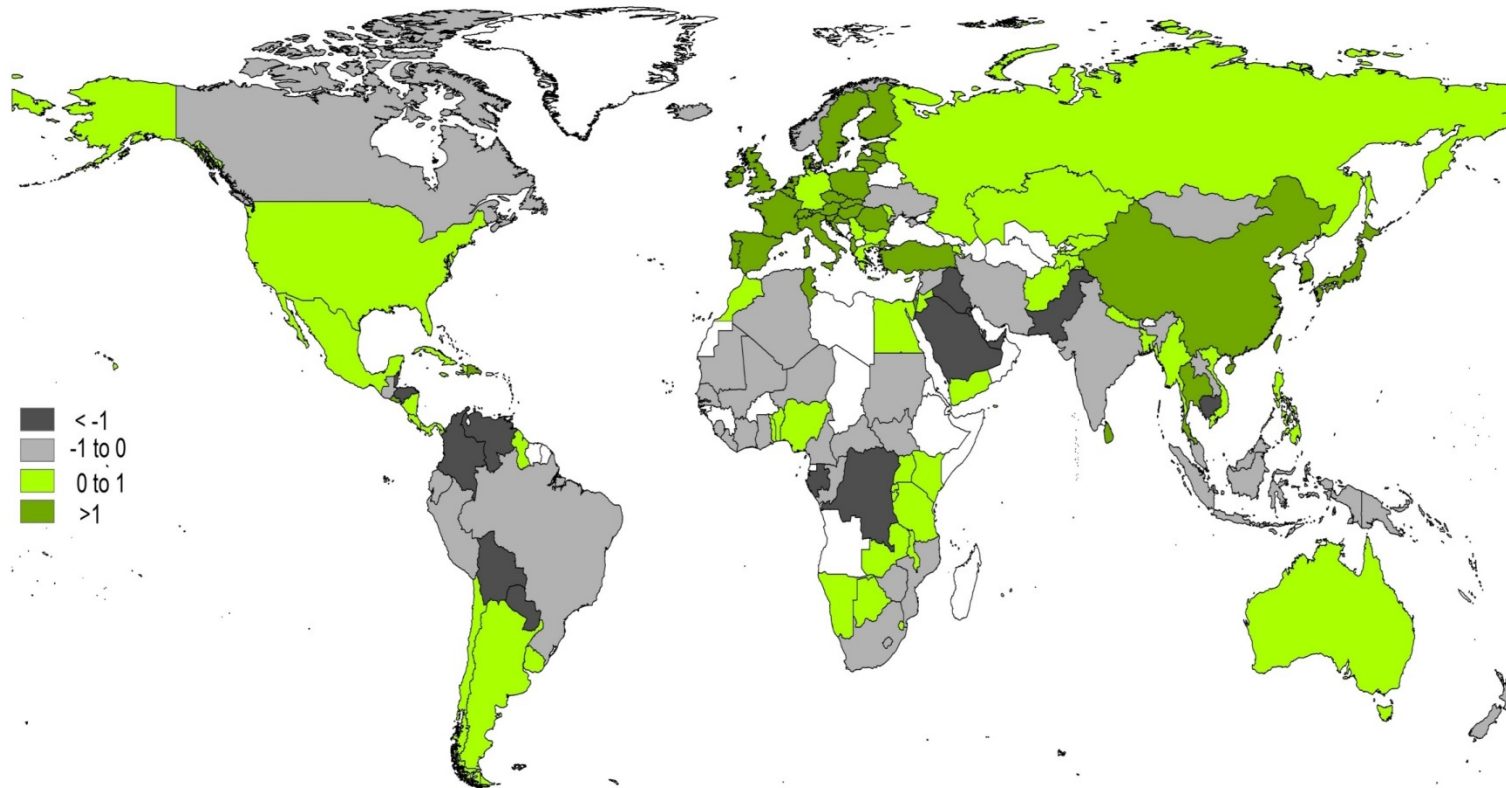


# Several countries in Latin America, Middle East, and Asia are unsustainable in IW per capita



*Average annual growth rate of Inclusive Wealth Index per capita (%), 1990-2014*

# Poorer countries are on more unsustainable path



*Growth in per capita Inclusive Wealth Index*

# Overarching Messages

1. Natural Capital/ Inclusive wealth should be measured continuously
2. Natural Capital and Wealth are the credible way to track the inclusive prosperity in post pandemic era





# Thank you

---



Pushpam Kumar  
Chief Environmental Economist  
UN Environment

---

[www.unenvironment.org](http://www.unenvironment.org)